

**Congress of the United States**  
Washington, DC 20515

May 14, 2003

The Honorable Bill Thomas  
Chairman, Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Thomas:

We are writing to state our strong concerns regarding the inclusion of any additional cash spending increases geared toward bailing out the states in the tax package. A wave of unfunded federal mandates has brought states to this point, and the proposed \$20 billion federal bailout to prop up state spending only exacerbates the problem.

Rather than encourage states to reform their budgets and reduce costs, or repeal the mandates that micromanage state governments, we are throwing more money at the problem. A federal bailout will only lead to higher federal taxes and encourage the same overspending that created this crisis. A better alternative would be to cut taxes and aid economic growth, which will in turn assist in balancing state budgets.

State governments have wisely concluded that their constituents cannot handle higher state taxes. Instead, the bailout proposal would raise federal taxes. Taxpayers typically focus on their total tax burden and whether or not they are getting their money's worth. Congress should avoid cost shifting, take responsibility for their budgets, and reduce excessive spending. High spending, not low tax receipts, is the primary cause for state budget dilemmas.

What is Congress' response to fiscally responsible states? How can we ask these citizens to pay for the excessive overspending of other state governments? On principle alone, this proposal to bailout states is objectionable. It is worrisome should Congress enter the slippery slope of constant bailouts, as states will need to abide by budget constraints. We are unsupportive of a tax package that includes a federal bailout for states. It is our hope that House leadership will make elimination of this proposal non-negotiable.

Thank you for your leadership on this issue. We certainly appreciate your efforts to lower the tax burden on all Americans and reduce government spending.

Sincerely,

*Steve King*

CC: Speaker J. Dennis Hastert  
Majority Leader Tom DeLay  
Majority Whip Roy Blunt

Myrtle

Virgil Goode

John Heston

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Marilyn Musgrave

Thom Thoms

Ann Myrick

Ph. Rodgers